

U.S. Investigating Tips on Soviet Grain Deals

FBI and CIA Agents Probe 'John Smith's'
Calls to Kansas City Trade Magazine

WASHINGTON (AP)—The FBI and the Central Intelligence Agency are looking into a case involving telephone calls last summer by a "John Smith" who told a Kansas City trade magazine details of grain transactions between the United States and Russia.

Officials of the Milling & Baking News said Thursday that federal agents had interviewed the magazine's editor, Morton Sosland, a few days before he published an account of Smith's calls on Oct. 3.

The FBI also has interviewed at least one newsman here who has covered the U.S.-Soviet grain deal. The agents discussed Smith and the calls made to Kansas City.

\$1 Billion in Sales

About \$1 billion worth of U.S. grain, mostly wheat, was sold to the Russians this year. Sen. George S. McGovern and others have said the Agriculture Department withheld information from farmers, causing some to sell grain at lower prices when they could have waited until the market went up because of the huge sales.

The Milling & Baking News is a weekly magazine that circulates mainly to the grain trade and allied interests. Sosland was out of town and not available for comment.

However, two officials of the magazine who asked not to be identified said in a telephone interview that a CIA agent had visited Sosland once before publication of the article and that FBI agents had been in the office several days.

According to Sosland's article, telephone calls were received from a man who initially identified himself as "John Smith" of the London Financial Times.

Later, after Sosland found the London newspaper employed no such correspondent, Smith said he was an international grain spy.

The calls began on July 17, before the size of the U.S. wheat sales became generally known. For nearly a month in successive calls, Sosland said, Smith provided tips pointing to much larger sales than anyone publicly knew at the time.

Pucinski's Charges

Sosland said he did not publish Smith's tips then because they seemed fantastic. As details of the wheat deals became known generally in early August, however, much of the caller's information was verified.

A week ago, Rep. Roman C. Pucinski (D-Ill.) said the calls possibly were made by an Agriculture Department employee "with a conscience" who decided to inform the public by contacting the Kansas City magazine.

Pucinski, who is seeking the Senate seat held by Charles H. Percy (R-Ill.) also said the department held back earlier reports by the CIA indicating serious crop shortages in Russia and pointing to a large wheat sale by the United States.

Those allegations have been denied by department officials. No one in the agency, they said, knew the scope of the wheat sale and no inside tips were passed

to the private grain trade by government employees.

The FBI checked Wednesday with Reginald Watts, chief Washington commodities specialist for Reuters, the British news agency.

Watts said two agents interviewed him at length and showed considerable interest in the background of the grain sales and of the information relayed by Smith.